

ADVISORY COUNCIL MEETING

STATE ENERGY PLAN

Thursday December 20, 2012

10:30 AM-12:30 PM

Conference Room A

RI Department of Administration

One Capitol Hill

Providence, RI

ATTENDANCE:

Advisory Council Members: Bob Chew, Abigail Anthony, Julie Gill, Jerry Elmer, Linda George, Bill Ferguson, Melissa Long, Jon Hagopian, Ian Springsteel, Nick Ucci, Bob Tormey, John Gilbrook

Steering Committee & Project Team Members: Marion Gold, Paul Gonsalves, Nancy Hess, Chris Kearns, Hannah Morini, Rachel Sholly, Allison Rogers, Danny Musher, Wendy Lucht

Other Attendees & Members of the Public: Rachel Henschel, Karina Lutz, Bob Chatham, Shawn Allen, Bruce DiGennaro, Mike Guerard, Sam Huntington, Charles Hawkins, Tim Faulker, Mike Henry

AGENDA:

10:30 Welcome – Marion Gold, RIOER

10:45 RISEP Goals – Danny Musher, RIOER

11:15 Questions & Discussion

11:45 Introduction to “Baseline” Scope of Work – Danny Musher, RIOER

12:00 Next Steps & Meeting Dates – Danny Musher, RIOER

12:15 Public Comment

12:30 Adjourn

MINUTES:

Marion G. began the meeting by having Advisory Council (AC) members introduce themselves and the organization they are associated with. The role of the AC is to meet on a monthly basis to

provide feedback in developing an update to the State Energy Plan (SEP) that will be incorporated into the State Guide Plan (SGP). The SGP helps direct municipalities in developing their comprehensive plans. She thanked the AC members for their thoughtful feedback provided after the previous Advisory Council meeting. She then briefly reiterated the Plan Vision Statement, which is to provide energy services across all sectors. She then introduced State Energy Plan (SEP) Project Manager Danny Musher who has been synthesizing the feedback he has received from the AC.

Rhode Island State Energy Plan Goals

Danny M. began by thanking John Gilbrook & Ian Springsteel of National Grid, and Melissa Long of the Rhode Island Department of Transportation (RIDOT) for joining the AC. He brought the AC's attention to two spread sheet document handouts. One spread sheet documents all of the comments received from the AC on the scope of work (SOW) since the last meeting and the other is a draft data list for the historical baseline of Rhode Island energy consumption and costs across sectors. An additional handout outlined draft directional objectives (DOs) that will be revised after AC feedback. He then explained how the SEP will be incorporated into the SGP by the spring of 2014.

The AC's task is to develop concrete goals for the Plan. The vision statement will guide the goals. It says that in 2035, we will provide

energy services across all sectors using safe, reliable, affordable, environmentally sound, sustainable and where appropriate, state resources. These principles form the criteria for the plan. The goal of the day's meeting was to prioritize the DOs.

The proposed approach consists of four steps. The first step is to utilize the criteria and establish DOs that the AC agrees upon. The second is to define scenarios. An RFP is being issued to hire a consultant team (C-Team) to look at possible scenarios and propose a set of strategies. In the third step, the C-Team will perform a modeling analysis to look at the different scenarios to see if they meet the DOs. Step four will set concrete, quantifiable goals.

The Project Team has taken the feedback from the AC and used the criteria to draft a set of DOs. Danny M. went over the DOs in the handout and then opened the meeting for discussion. Bob T. asked if the handouts will be provided in electric form. Danny M. said they will be e-mailed to AC members. Jerry E. asked if Danny M. was soliciting feedback on these DOs. Yes, and he wants to open the floor for discussion. He would also like written comments from the AC on these DOs.

Jerry E. feels that some of the DOs are so vague you can't form an opinion on them. He cited increased fuel diversity as an example. Do we really want to increase diversity by adding coal to the mix? Another example is lower greenhouse gas (GHG) emissions. What

percent are you going to decrease it? This is very vague, it does not tell us anything meaningful. Abigail A. responded that under the proposed approach, the selected C-Team would develop scenarios that will provide the different optimization levels needed to reach various goals. When you do an optimization study you will see that you can not reduce GHG by adding coal. Danny M. said that we need to tell the C-Team which way we want to go so they will develop scenarios that will get to goals. The goal of developing DO's is to agree on the full range of priorities, and then the C-Team will help show what tradeoffs Rhode Island faces in balancing the different priorities. Abigail A. added that another aspect is that it will allow the AC to see the interaction among sectors rather than looking at them in silos.

Bill F. said that he feels the transportation sector is the key to reducing GHG. He does not feel enough attention has been paid to this sector. He wants to understand what role this sector plays in GHG reduction. There are a lot of electric EE programs, like the Energy Efficiency Program Plan (EEPP), so that is covered. We also have a lot going on in the renewable energy (RE) sector. But there is not a lot going on in transportation. He is glad to see RIDOT, NGrid's John Gilbrook and Wendy Lucht of the Clean Cities Coalition in the room. He feels this is a good core transportation group. Danny M. said that the transportation data will be studied using different scenarios.

Jerry E. asked if RIPTA has been invited to join the AC. Danny M. said that they will be invited to participate in the transportation implementation group. Each sector will have smaller implementation groups to discuss specific strategies for each sector. John G. feels the answers will come after the C-Team analyzes the data. Jon H. feels it is important to look at the intermodal nature of transportation. We need to look at transportation links and see if there is a way we can get efficiencies and reliability from this sector. This will also cross over to GHG initiatives. We can't ignore what people use every day. Wendy L. said that the AC needs quantifiable data on transportation like Amtrak, RIPTA & MBTA ridership figures. She also feels ethanol and bio-diesel should be on the list of fuels for the baseline data.

Bob Chatham feels it would be helpful to have a list of metrics to drive goals. Danny M. said that is what he wants the C-Team to recommend. Bob Chatham feels that the AC should drive this and not the C-Team. Ian S. asked what environmental problems the AC is trying to solve by setting these goals. He also wanted to comment on the scope of the DOs. He asked if diversity of fuels is a statement that we can agree with. Right now, with the increase of natural gas, we have less diversity but are getting a lot of environmental benefits out of it. He questions this as a principle. Perhaps the question is what are you trying to accomplish by diversity—is it cost? Volatility? Security? You may not be able to get all three. He does not think diversity is a goal unto itself. Security can also be a problem if we

only rely on natural gas because of possible supply constraints.

Bob Chew said that consumer education was important. The public needs to be more aware of energy. He also wonders how we will get to our RE goals if the grid can not handle it. What are the challenges involved in getting more RE? Bob T. asked if these goals are the complete list. Would it work better if you had diversity of fuels as a topic and then find the metrics to determine whether an increase or decrease is the right way to proceed? John G. wonders if some of these DOs can be rolled up into other goals. He asked if there is a third screen that needs to be put up that includes overarching goals that need to be met and the strategies needed to get there. What is the end game? Danny M said that the end game will happen when everyone has energy services. That is the final goal. Bob T. feels that what is missing is time because our short term goals may result in an increase in cost to get to the long term goals.

Ian S. questioned the goal of increasing the amount of energy expenditures that stay in-state. He knows this is a politically correct concept but does the state have the goal of producing cars in state? Do we want to produce more computer chips? Probably not, because it is not to our competitive advantage. What is the State's biggest bang for the buck? Abigail A. feels this is another joint trade-off where you hope to get some balance between keeping energy expenditure in the state and increased EE and energy generation.

Another conflict that Ian S. mentioned is the Combined Heat and Power (CHP) initiative that is included in the EEPP. This will increase GHG emission because it will shift generation from out of state to in state. He feels reaching CHP potential will increase GHG. It may also add cost to the system because it could be cheaper to run a gas plant in another New England state.

John G. said that for the purpose of this meeting, the focus on the draft DO's should be identifying if anything is missing. Marion G. wondered if human health needed to be added. When New York did their plan health was a component. Danny M. said that the Project Team will take the AC comments and rework the DOs and have metrics associated with them. He would like to spend the next few minutes trying to determine if anything is missing that should be incorporated into the DOs. Karina L. brought up climate change as an end game goal. Danny M. said that although climate change will be part of the plan, it is not a climate change plan. Wendy L. said that a plan for one million people is not going to really prevent and substantially diminish GHG emissions. We can just do the best we can to consume less GHG.

John G. wanted to know what the next steps were. Danny M. said before the next meeting, the Project Team will put together a straw man of DOs that will have sub-categories and metrics associated with them. In the meantime AC input would be appreciated. Julie G. strongly recommended using the six criteria in the Vision Statement

to guide DOs. Put the DOs under each of these goals. She feels the criteria listed and the priorities on the list are excellent. An outline could be drafted based on those criteria. Bob T. said that was the point he was getting at earlier. He is having a problem with the directional part of the objectives. He does not have enough metrics to know if he is in favor of these DOs. John G. agreed.

Bob Chew asked if we need geography as one of the bullets. Jon H. said that geography does play into it if you are going to be buying RE from Maine. Bob Chew said he would rather have economic benefits to the RI as the bullet rather than geography. We need to look at energy spending leaving the state. He also said that health & safety issues are important if you are talking about nuclear or coal. Shawn A. asked if there should be a scenario for energy resiliency during storms. Danny M. said the end game was to use these DOs and identify what the metrics are.

Bill F. wanted to reemphasize that the meeting discussion has been almost completely about electricity generation. He is afraid the AC will forget about transportation. He also agreed with Bob T. that the plan should have a time element. There should be short term, near term and long term goals and these goals can be defined as we go along. Danny M. said the planning horizon was a ten year time frame with goals going out to 2035. Bob T. said that you may get different answers for different timeframes.

Bob Chew said that in addition to transportation, the AC should look at the shelter industry. He cited a recent NGrid presentation to the Energy Efficiency and Resource Management Council that found that commercial & residential buildings in RI do not meet basic code requirements. This is a major problem in the shelter industry and it needs to be addressed. It is bad when new housing does not meet minimum energy code. Jon H. said the recently approved EEPP has a whole section on code compliance. Ian S. said that there will be technical assistance in the EEPP for local code enforcement. Bob Chew said there were blatant holes in the local codes.

Introduction to the “Baseline” Scope of Work

Danny M. then wanted to move on to the SOW. He asked the AC to look at the horizontal table that they received which displays the type of data that is being collected for the historical baseline. Currently, the AC is in the data gathering phase, which will be used to inform goals. The metrics used for each three sectors are: the amount of fuel consumed, the price of that fuel, and the GHG emissions associated with it. We will be getting electric generation data and capacity data.

Jerry E. asked about electric generation in RI. Is that electricity that is generated geographically in RI, or the generation of electricity that is consumed in RI? Danny M. said they had regional data of the fuels that are firing generation plants in the region and in Rhode Island, as

well as wholesale & retail data from ISO-NE and the Energy Information Administration. Bob T. asked if a lot of this data was at the PUC from filings and annual reports. Ian S. said that about half of the electric data is proved by competitive suppliers so the PUC doesn't have all the data. You would only be capturing half of the retail cost. You would need to look at the data from the competitive suppliers to understand the broad picture.

Bob Chew would like to see another line item under retail electric prices that shows the average cost of electricity over the next 35 years; because it is hard to compare the cost of RE & fossil fuel generation using today's data. Danny M. said it would be addressed at the next AC meeting. Ian S. suggested adding NEPOOL-GIS data. GIS data tracks what generation sources are contractually used for both NGrid & competitive suppliers. This is the consumption mix based on ISO-NE dispatch. Jerry E. mentioned an EE Working Group, which the ISO has commissioned and he sits on, which is accumulating data in RI & other New England States. This is very accurate data.

Danny M. said the data list will change after today's discussion. He asked the AC to look at the data sheet and see if there is other data that needs to be collected. At the next AC meeting there will be a presentation by Environment Northeast on the forecasting for the SEP. They will present their proposed SOW and the scenarios they will use to create this forecast. The DOs will also be revised and

some historical baseline data will be available. The dates of the next two meetings are set for Thursday January 24th and Tuesday February 19th.

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